

Farm Fresh Berhad

Registration Number: 201001010221 (894851-U)
(Incorporated in Malaysia)

**Interim Financial Report
First quarter ended 30 June 2025**

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Condensed consolidated statement of financial position as at 30 June 2025

	Unaudited 30.6.2025 RM'000	Audited 31.3.2025 RM'000
Assets		
Property, plant and equipment	530,834	513,490
Right-of-use assets	38,693	36,467
Biological assets	151,799	141,952
Intangible assets	110,885	111,126
Trade and other receivables	250	268
Deferred tax assets	10,886	9,371
Total non-current assets	<u>843,347</u>	<u>812,674</u>
Inventories	190,391	175,332
Trade and other receivables	231,925	206,665
Current tax assets	5,489	5,446
Derivative financial assets	663	86
Other investments	33,508	64,037
Cash and cash equivalents	81,391	58,785
	543,367	510,351
Assets classified as held for sale	27,028	28,144
Total current assets	<u>570,395</u>	<u>538,495</u>
Total assets	<u><u>1,413,742</u></u>	<u><u>1,351,169</u></u>
Equity		
Share capital	407,153	404,847
Reserves	325,440	295,285
Equity attributable to owners of the Company	732,593	700,132
Non-controlling interests	28,573	28,107
Total equity	<u>761,166</u>	<u>728,239</u>
Liabilities		
Deferred tax liabilities	27,154	24,345
Deferred income	7,079	6,703
Loans and borrowings	105,699	306,282
Lease liabilities	22,462	20,590
Put option liability	57,065	55,833
Total non-current liabilities	<u>219,459</u>	<u>413,753</u>
Current tax liabilities	1,207	1,116
Deferred income	440	943
Derivative financial liabilities	--	428
Loans and borrowings	295,956	91,622
Lease liabilities	8,987	8,389
Trade and other payables	126,527	106,679
Total current liabilities	<u>433,117</u>	<u>209,177</u>
Total liabilities	<u>652,576</u>	<u>622,930</u>
Total equity and liabilities	<u><u>1,413,742</u></u>	<u><u>1,351,169</u></u>
Net assets per share attributable to owners of the Company (RM)	<u>0.39</u>	<u>0.37</u>

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Condensed consolidated statement of profit or loss and other comprehensive income for the first quarter ended 30 June 2025

	Individual/Cumulative quarter 3 months ended	
	Unaudited 30.6.2025 RM'000	Unaudited 30.6.2024 RM'000
Revenue	260,577	241,699
Cost of sales	(174,097)	(168,753)
Gross profit	86,480	72,946
Other income	1,195	2,807
Selling and distribution expenses	(23,283)	(21,318)
Administrative expenses	(23,422)	(20,229)
Other expenses	(1,797)	(1,156)
Fair value gain/(loss) on biological assets	878	(550)
Results from operating activities	40,051	32,500
Finance income	226	272
Finance costs	(4,232)	(4,428)
Net finance costs	(4,006)	(4,156)
Profit before tax	36,045	28,344
Tax expense	(2,801)	(1,833)
Profit after tax	33,244	26,511
Other comprehensive (expense)/income, net of tax items that are or may be reclassified subsequently to profit or loss		
Foreign currency translation differences	(2,270)	1,310
Cash flow hedge	911	--
Other comprehensive (expense)/income for the period	(1,359)	1,310
Total comprehensive income for the period	31,885	27,821
Profit attributable to:		
Owners of the Company	32,799	25,995
Non-controlling interests	445	516
Profit for the period	33,244	26,511
Total comprehensive income attributable to:		
Owners of the Company	31,419	27,236
Non-controlling interests	466	585
Total comprehensive income for the period	31,885	27,821
Basic earnings per ordinary share (sen)	1.75	1.39
Diluted earnings per ordinary share (sen)	1.74	1.39

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Condensed consolidated statement of changes in equity for the first quarter ended 30 June 2025

Unaudited	← Attributable to owners of the Company →					Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Translation reserve RM'000	Non-distributable Employee share-based reserve RM'000	Put option reserve RM'000	Distributable Retained earnings RM'000			
At 1 April 2024	399,555	186	5,615	(36,955)	298,012	666,413	26,558	692,971
Foreign currency translation differences for foreign operations/ Total other comprehensive income for the period	--	1,241	--	--	--	1,241	69	1,310
Profit for the period	--	--	--	--	25,995	25,995	516	26,511
Total comprehensive income for the period	--	1,241	--	--	25,995	27,236	585	27,821
<i>Contributions by and distributions to owners of the Company</i>								
Issuance of shares pursuant to ESOS	1,340	--	(230)	--	--	1,110	--	1,110
Share-based payment	--	--	261	--	--	261	--	261
Changes in put option liability	--	--	--	(815)	--	(815)	--	(815)
	1,340	--	31	(815)	--	556	--	556
Change in ownership interests in a subsidiary	--	--	--	--	35	35	298	333
Total transactions with owners of the Company	1,340	--	31	(815)	35	591	298	889
At 30 June 2024	400,895	1,427	5,646	(37,770)	324,042	694,240	27,441	721,681

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Condensed consolidated statement of changes in equity for the first quarter ended 30 June 2025 (continued)

	← Attributable to owners of the Company →						Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Translation reserve RM'000	Hedging reserve RM'000	Non-distributable Employee share-based reserve RM'000	Put option reserve RM'000	Distributable Retained earnings RM'000			
At 1 April 2025	404,847	(18,352)	(429)	6,686	(55,833)	363,213	700,132	28,107	728,239
Foreign currency translation differences for foreign operations	--	(2,291)	--	--	--	--	(2,291)	21	(2,270)
Cash flow hedge	--	--	911	--	--	--	911	--	911
Total other comprehensive (expense)/income for the period	--	(2,291)	911	--	--	--	(1,380)	21	(1,359)
Profit for the period	--	--	--	--	--	32,799	32,799	445	33,244
Total comprehensive (expense)/income for the period	--	(2,291)	911	--	--	32,799	31,419	466	31,885
<i>Contributions by and distributions to owners of the Company</i>									
Issue of shares pursuant to ESOS	2,306	--	--	(395)	--	--	1,911	--	1,911
Share-based payment	--	--	--	363	--	--	363	--	363
Changes in put option liability	--	--	--	--	(1,232)	--	(1,232)	--	(1,232)
Total transactions with owners of the Company	2,306	--	--	(32)	(1,232)	--	1,042	--	1,042
At 30 June 2025	407,153	(20,643)	482	6,654	(57,065)	396,012	732,593	28,573	761,166

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Condensed consolidated statement of cash flows for the first quarter ended 30 June 2025

	3 months ended	
	Unaudited 30.6.2025 RM'000	Unaudited 30.6.2024 RM'000
Cash flows from operating activities		
Profit before tax	36,045	28,344
Adjustments for:		
Depreciation and amortisation:		
- property, plant and equipment	13,084	11,120
- right-of-use assets	2,820	2,344
- intangible assets	149	67
Finance income	(226)	(272)
Finance costs	4,232	4,428
Equity settled share based payment	363	243
Impairment loss on trade receivables	624	386
Write off of:		
- property, plant and equipment	68	46
- obsolete and slow-moving inventories	152	112
(Gain)/Loss on disposal of property, plant and equipment	(86)	56
Gain on derecognition of lease	(24)	--
Amortisation of deferred income	(110)	(68)
(Gain)/Loss arising from changes in fair value of dairy cows and goats	(878)	550
Fair value loss/(gain) on:		
- derivative financial instruments	57	(1,142)
- other investments	(377)	(565)
Distribution income from money market investments	(94)	(425)
Unrealised loss/(gain) on foreign exchange	22	(56)
Operating profit before changes in working capital	55,821	45,168
Change in inventories	(14,770)	(21,125)
Change in trade and other receivables	(25,866)	(8,308)
Change in trade and other payables	19,763	18,529
Cash generated from operations	34,948	34,264
Interest received	226	272
Tax paid	(1,732)	(772)
Net cash from operating activities	33,442	33,764
Cash flows from investing activities		
Acquisition of:		
- property, plant and equipment	(32,991)	(28,444)
- biological assets	(14,139)	(3,915)
- intangible assets	(65)	(33)
Net withdrawal/(investment) from other investments	31,000	(16,000)
Proceeds from disposal of:		
- property, plant and equipment	555	216
- biological assets	4,517	1,500
Net cash used in investing activities	(11,123)	(46,676)

Condensed consolidated statement of cash flows for the first quarter ended 30 June 2025
(continued)

	3 months ended	
	Unaudited 30.6.2025 RM'000	Unaudited 30.6.2024 RM'000
Cash flows from financing activities		
Interest paid	(6,747)	(7,074)
Proceeds from shares issued	1,911	1,110
Repayment of term loans	(166)	(156)
Net proceeds from/(payment of):		
- bankers' acceptances	7,816	17,973
- short-term financing	1,163	(544)
Repayment of hire purchase liabilities	(1,556)	(1,846)
Repayment of lease liabilities	(2,913)	(2,499)
Capital contributed by a non-controlling shareholder	--	333
Net cash (used in)/from financing activities	<u>(492)</u>	<u>7,297</u>
Exchange difference on translation of the financial statements of foreign operation	779	365
Net increase/(decrease) in cash and cash equivalents	22,606	(5,250)
Cash and cash equivalents at 1 April	<u>58,785</u>	<u>58,167</u>
Cash and cash equivalents at 30 June	<u><u>81,391</u></u>	<u><u>52,917</u></u>

Cash and cash equivalents included in the condensed consolidated statement of cash flows comprise the following amounts from the condensed consolidated statement of financial position:

	3 months ended	
	Unaudited 30.6.2025 RM'000	Unaudited 30.6.2024 RM'000
Cash and cash equivalents:		
- cash and bank balances	80,011	51,568
- deposits with licensed banks	1,380	1,349
	<u>81,391</u>	<u>52,917</u>

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Part A: Explanatory notes pursuant to Malaysian Financial Reporting Standards (“MFRS”) 134 and International Accounting Standards (“IAS”) 34 Interim Financial Reporting

A1. Basis of preparation

This condensed consolidated interim financial report is unaudited and has been prepared in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”), Malaysia Financial Reporting Standards (MFRS) 134: *Interim Financial Reporting* and International Accounting Standards (IAS) 34: *Interim Financial Reporting*.

This condensed consolidated interim financial report should be read in conjunction with the audited consolidated financial statements for the year ended 31 March 2025 and the accompanying notes attached to the interim financial report.

A2. Material accounting policies

The accounting policies applied by the Group in this interim financial report are the same as those applied by the Group in its audited consolidated financial statements for the year ended 31 March 2025.

The following are accounting standards, interpretations and amendments of the MFRS Accounting Standards that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Group:

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures- Classification and Measurement of Financial Instruments*
- Amendments that are part of Annual Improvements — Volume 11:
 - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
 - Amendments to MFRS 7, *Financial Instruments: Disclosures*
 - Amendments to MFRS 9, *Financial Instruments*
 - Amendments to MFRS 10, *Consolidated Financial Statements*
 - Amendments to MFRS 107, *Statement of Cash Flows*
- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures- Contracts Referencing Nature-dependent Electricity*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*

The following MFRS Accounting Standards, interpretations and amendments will become effective for annual periods beginning on or after a date yet to be confirmed:

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

Part A: Explanatory notes pursuant to MFRS 134 and IAS 34 Interim Financial Reporting (continued)

A2. Material accounting policies (continued)

The Group plans to apply the abovementioned accounting standards, interpretations and amendments in the respective financial year when the above accounting standards, interpretations and amendments become effective, if applicable.

The initial application of the accounting standards, interpretations and amendments are not expected to have any material financial impacts to the current period and prior period financial statements of the Group upon its first adoption.

A3. Auditors' report

The audited consolidated financial statements for the financial year ended 31 March 2025 was not subject to any qualifications.

A4. Seasonal or cyclical factors

The nature of the Group's business was not subject to any significant seasonal or cyclical factors.

A5. Unusual items

There were no unusual items affecting assets, liabilities, equity, net income or cash flow of the Group for the financial period under review.

A6. Changes in estimates

There were no material changes in estimates for the financial period under review.

A7. Debt and equity securities

There were no debt and equity securities issued during the financial period under review.

A8. Dividends paid

There were no dividends paid during the current quarter and financial period under review.

A9. Property, plant and equipment

The Group acquired property, plant and equipment amounting to RM 33.0 million during the current quarter and financial period under review.

There were no material disposals of property, plant and equipment during the current quarter and financial period under review.

A10. Impairment losses

Save as disclosed in Note B13, there were no other significant impairment losses arising from property, plant and equipment, financial assets, assets arising from contracts with customers or other assets during the current quarter and financial period under review.

Part A: Explanatory notes pursuant to MFRS 134 and IAS 34 Interim Financial Reporting (continued)

A11. Segment information

The Group has two reportable segments, as described below, which are the Group's strategic business units. The strategic business units are in different geographies, and are managed separately because they require different marketing strategies. For each of the strategic business units, the Chief Operating Decision Maker ("CODM") (i.e. the Group Managing Director and Group Chief Executive Officer) reviews internal management reports at least on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

- Malaysia's operation Includes rearing of dairy cows and goats, production and marketing and sale of cow's and goat's milk, yogurt, plant-based, ice cream and a range of other products; and agrotourism.
- Australia's operation Includes rearing of dairy cows, production and marketing and sale of cow's milk, jam, sauces, butter and yogurt.

The other overseas operations are not material for disclosure and have been included as part of the Malaysia's operations for the financial year.

Performance is measured based on segment profit before tax, finance income, finance costs, depreciation and amortisation, as included in the internal management reports that are reviewed by CODM. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment profit/(loss) before tax at each reportable segment is arrived after eliminating all inter-segment profits originating from that reporting segment. Segmental information is presented in respect of the Group's business segments as follows:

Individual quarter/ Cumulative quarter (3 months)	Malaysia's Operation RM'000	Australia's Operation RM'000	Intra-group Adjustments RM'000	Total RM'000
1.4.2025 to 30.6.2025				
External revenue	241,940	18,637	--	260,577
Inter-segment revenue	46,476	31,967	(78,443)	--
Segment profit/(loss) before tax	<u>39,544</u>	<u>(3,408)</u>	<u>(91)</u>	<u>36,045</u>
1.4.2024 to 30.6.2024				
External revenue	203,511	38,188	--	241,699
Inter-segment revenue	35,473	24,228	(59,701)	--
Segment profit/(loss) before tax	<u>28,968</u>	<u>(858)</u>	<u>234</u>	<u>28,344</u>

A12. Material events subsequent to the statement of financial position date

The Company had, on 3 July 2025 incorporated a subsidiary, namely Farm Fresh Borneo Sdn. Bhd.

The Company had, on 18 August 2025 entered into agreements with Koh Mi Trading Sdn Bhd (KMTSB) for a disposal of 51% equity interest in Farm Fresh Jomcha Sdn Bhd to KMTSB.

A13. Changes in the composition of the Group

There were no changes in the composition of the Group for the current financial period under review. The incorporations above did not have material impact to the Group during the financial period under review.

Part A: Explanatory notes pursuant to MFRS 134 and IAS 34 Interim Financial Reporting (continued)

A14. Fair value information

The following table analyses financial instruments carried at fair value by valuation method. The different levels in a fair value hierarchy based on the input used in the valuation technique have been defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Input other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable input).

	Fair value of financial instruments carried at fair value		Fair value of financial instruments not carried at fair value	Total fair value	Carrying amount
	Level 2 RM'000	Level 3 RM'000	Level 3 RM'000		
30.6.2025					
Financial assets					
Derivatives designated as cash flow hedge					
- Forward exchange contracts	173	--	--	173	173
- Commodity future contracts	462	--	--	462	462
Derivatives at fair value through profit or loss					
- Interest rate swap	28	--	--	28	28
Other investments	33,508	--	--	33,508	33,508
	<u>34,171</u>	<u>--</u>	<u>--</u>	<u>34,171</u>	<u>34,171</u>
Financial liabilities					
Hire purchase liabilities	--	--	(7,235)	(7,235)	(7,117)
Term loans	--	--	(27,656)	(27,656)	(27,668)
Sukuk	--	--	(300,460)	(300,460)	(300,460)
Put option liability	--	(57,065)	--	(57,065)	(57,065)
	<u>--</u>	<u>(57,065)</u>	<u>(335,351)</u>	<u>(392,416)</u>	<u>(392,310)</u>
31.3.2025					
Financial assets					
Derivatives at fair value through profit or loss					
- Interest rate swap	86	--	--	86	86
Other investments	64,037	--	--	64,037	64,037
	<u>64,123</u>	<u>--</u>	<u>--</u>	<u>64,123</u>	<u>64,123</u>
Financial liabilities					
Derivatives designated as cash flow hedge					
- Forward exchange contracts	(260)	--	--	(260)	(260)
- Commodity future contracts	(168)	--	--	(168)	(168)
Hire purchase liabilities	--	--	(8,886)	(8,886)	(8,743)
Term loans	--	--	(28,196)	(28,196)	(28,125)
Sukuk	--	--	(303,405)	(303,405)	(303,405)
Put option liability	--	(55,833)	--	(55,833)	(55,833)
	<u>(428)</u>	<u>(55,833)</u>	<u>(340,487)</u>	<u>(396,748)</u>	<u>(396,748)</u>

Part A: Explanatory notes pursuant to MFRS 134 and IAS 34 Interim Financial Reporting (continued)

A15. Contingent liabilities

There were no material changes in contingent liabilities arising since the last audited consolidated financial statements for the financial year ended 31 March 2025.

A16. Capital commitments

	Unaudited 30.6.2025 RM'000	Audited 31.3.2025 RM'000
Contracted but not provided for:		
Plant and equipment	6,323	13,683
Intangible assets	--	385
	<u>6,323</u>	<u>14,068</u>

Part B: Explanatory notes pursuant to Part A, Appendix 9B of the Listing Requirements

B1. Review of performance

Current quarter against corresponding quarter (Q1'26 vs Q1'25)

	Individual quarter 3 months ended		Changes %
	30.6.2025 RM'000	30.6.2024 RM'000	
Revenue	260,577	241,699	7.8
Gross profit	86,480	72,946	18.6
Operating profit	40,051	32,500	23.2
Profit before tax	36,045	28,344	27.2
Profit after tax	33,244	26,511	25.4
Profit attributable to owners of the Company ("PATAMI")	<u>32,799</u>	<u>25,995</u>	<u>26.2</u>

The Group's revenue increased by 7.8% or RM18.9 million as compared to the corresponding period, mainly attributable to the increase in Malaysian revenue underpinned by positive sales contribution from new products, including children's milk (Farm Fresh Grow), chocolate malt, full cream milk powder, consumer-packaged goods (CPG) ice cream and butter. The increase was partially offset by a decrease in Australian revenue due to lower external sales from Goulburn Valley Creamery Pty Ltd.

The Group's gross profit increased by 18.6% or RM13.5 million while the gross profit margin increased from 30.2% to 33.2%, mainly attributable to increased sales contribution from higher margin products and lower cost of dairy raw materials, which is partially offset with the lower gross profit from Australia operations.

Consequently, operating profit increased by RM7.6 million and profit before tax increased by RM7.7 million respectively, primarily driven by the aforementioned increase in gross profit. This was partially offset by higher distribution costs which are in line with higher school milk sales as well as higher administrative costs, including salary and depreciation costs with the addition of the CPG ice cream operations and increase of Inside Scoop outlets.

Part B: Explanatory notes pursuant to Part A, Appendix 9B of the Listing Requirements (continued)

B2. Comparison with immediate preceding quarter (Q1'26 vs Q4'25)

	Current quarter 30.6.2025 RM'000	Preceding quarter 31.3.2025 RM'000	Changes %
Revenue	260,577	243,730	6.9
Gross profit	86,480	77,451	11.7
Operating profit	40,051	33,336	20.1
Profit before tax	36,045	29,422	22.5
Profit after tax	33,244	27,653	20.2
Profit attributable to owners of the Company ("PATAMI")	32,799	28,353	15.7

The Group's revenue rose by 6.9% or RM16.8 million as compared to the preceding quarter, primarily driven by an increase in school milk and CPG ice cream sales, driven by the strong demand for Cream Hauz and the launch of Choco bar in May 2025. Australia revenue also increased by 21.3% or RM3.3 million due to shipments to the Middle East that were originally scheduled for the previous quarter.

The Group's gross profit rose by 11.7% or RM9.0 million, while the gross profit margin increased from 31.8% to 33.2%, primarily due to increased sales of contribution from higher margin products and lower cost of dairy raw materials in Malaysia and recovery in margins for Australian operations, supported by the higher sales .

Consequently, operating profit and profit before tax increased by RM6.7 million and profit before tax increased by RM6.6 million respectively mainly due to the aforementioned increase in gross margin, which was partially offset by higher distribution costs which are in line with higher school milk sales.

Part B: Explanatory notes pursuant to Part A, Appendix 9B of the Listing Requirements (continued)

B3. Prospects for the Group

Prospects

The Group has continued its upward trajectory in FY2026 with another strong quarter, further encapsulating the progress that we have made in both our category expansion and regional expansion.

We have seen strong demand for our consumer-packaged goods (CPG) ice cream since the launch in August 2024. While waiting for Enstek plant to be completed in early 2026, we have invested in another two ice cream lines at our Taiping plant, which has increased our capacity to about 300,000 pieces per day.

Our choco malt product in powder format, launched in July 2024 has gained further traction in the market, aided by the introduction of a 35g sachet format, as well as the 1kg and 2kg formats for modern trade / mini market and food services channel respectively. Additionally, our full cream milk powder and butter have also hit the shelves with good reception from our consumers in October 2024 and February 2025 respectively, and cultured milk following suit in April 2025.

On the farm side, our Muadzam Shah farm expansion with the additional 500 acres of land leased from the Pahang State Government has commenced operations with the arrival of 1,300 dairy cows in May 2025. Upon full completion of the expansion, our total capacity in Muadzam Shah will double to 6,000 dairy cows.

Our plans to expand regionally are also taking shape in the Philippines, where we have commenced our factory operations in end-September 2024. We have listed our chilled products, UHT products and milk powder products in the modern trade outlets in the Greater Manila market and secured many key HORECA accounts in Manila. Additionally, we have also started to export our dairy products to Cambodia in end-August 2025.

Taking stock of our progress to-date, we are optimistic of our performance in FY2026.

We will also continue to drive our ESG agenda in the coming year. Our biogas plant has been completed and commissioned in April 2024, and once fully operational, is targeted to have a reduction of 9,800 tonnes carbon dioxide equivalent (tCO₂e) per annum and a targeted displacement or reduction of diesel usage of 670,000 litres per annum. Our Milk on Tap initiative, selling fresh milk sold in reusable glass bottles has been successfully expanded to 29 locations in Jaya Grocer and Jom Cha outlets across Peninsular Malaysia.

Part B: Explanatory notes pursuant to Part A, Appendix 9B of the Listing Requirements (continued)

B4. Profit forecast

Not applicable as the Group did not issue any profit forecast during the financial period under review.

B5. Tax expense

Income tax expenses on continuing operations comprise the following:

	Individual/Cumulative quarter 3 months ended	
	Unaudited 30.6.2025 RM'000	Unaudited 30.6.2024 RM'000
Tax expense	1,781	896
Deferred tax expense	1,020	937
	<u>2,801</u>	<u>1,833</u>

B6. Status of corporate proposals

There were no corporate proposals pending completion as at date of this report.

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Part B: Explanatory notes pursuant to Part A, Appendix 9B of the Listing Requirements (continued)

B7. Utilisation of proceeds from the Public Issue

We expect to use the gross proceeds from our Public Issue amounting to RM301.0 million in the following manner:

Details of use of proceeds	Estimated timeframe for the use of proceeds	Initial proposed utilization ⁽¹⁾	Revised proposed utilization	Actual utilization to 30.6.2025	Balance to be utilised
		RM'000	RM'000	RM'000	RM'000
1. Capital expenditure of our Group					
- <i>Establishment of a new manufacturing hub, a new dairy farm and integrated processing facility in Malaysia</i>	Within 24 months	131,237	132,455 ⁽²⁾	(67,899)	64,556
- <i>Regional expansion outside of Malaysia</i>	Within 24 months	40,000	40,000	(36,629)	3,371
- <i>Expansion of our production facility in Australia</i>	Within 18 months	4,851	4,851	(4,851)	--
2. Working capital	Within 12 months	40,789	40,789	(40,789)	--
3. Estimated listing expenses	Within 3 months	20,200	18,982	(18,982) ⁽²⁾	--
4. Acquisition of TISSB	On the date of completion of the SSA and SPA (as defined herein)	63,912	63,912	(63,912)	--
		300,989	300,989	(233,062)	67,927

(1) The initial utilization of the proceeds as disclosed above should be read in conjunction with the Announcement made on 15 February 2023.

(2) The actual listing expenses incurred of RM18.98 million is lower than the estimated amount of RM20.20 million, therefore the excess amount of RM1.22 million will be used for establishment of a new manufacturing hub, a new dairy farm and integrated processing facility in Malaysia.

Part B: Explanatory notes pursuant to Part A, Appendix 9B of the Listing Requirements (continued)

B8. Loans and borrowings

	Unaudited 30.6.2025 RM'000	Audited 31.3.2025 RM'000
Non-current		
<i>Unsecured</i>		
Sukuk	100,000	300,000
<i>Secured</i>		
Hire purchase liabilities	2,048	2,481
Term loans	3,651	3,801
	<u>105,699</u>	<u>306,282</u>
Current		
<i>Unsecured</i>		
Sukuk	200,460	3,405
<i>Secured</i>		
Hire purchase liabilities	5,069	6,262
Short term financing	1,188	27
Term loans	24,017	24,324
Bankers' acceptances	65,222	57,604
	<u>295,956</u>	<u>91,622</u>
	<u>401,655</u>	<u>397,904</u>

The loans and borrowings of the Group are denominated in MYR, except for term loans of RM26.17 million (31.3.2025: RM26.46 million), hire purchase liabilities of RM5.19 million (31.3.2025: RM6.45 million), bankers' acceptances of RM17.91 million (31.3.2025: RM17.94 million) and short term financing of RM1.19 million (31.3.2025: RM0.03 million) which are denominated in AUD.

B9. Material litigations

On 31 March 2021, the Group filed a legal action in Australia against Shepparton Partners Collective Group ("SPC") for various misrepresentations to The Holsten Milk Company (Australia) Pty Ltd ("THMCA") during the course of due diligence of a business acquisition.

The court hearing was conducted in February 2025. On 11 April 2025, the court released a judgement on 11 April 2025 in favour of SPC by dismissing THMCA's legal action.

The Group has lodged an appeal against the decision. As such, in the Directors' opinion, disclosure of any further information about the above matter would be prejudicial to the interests of the Group.

Part B: Explanatory notes pursuant to Part A, Appendix 9B of the Listing Requirements (continued)

B10. Proposed Dividends

On 24 July 2025, the Board of Directors recommended a final single-tier dividend of 1.00 sen per ordinary share totalling RM 18.8 million for the financial year ended 31 March 2025 subject to the approval of the shareholders at the forthcoming Annual General Meeting, which will be payable on 17 October 2025 to shareholders whose names appeared in the Record of Depositors of the Company at the close of business on 3 October 2025.

B11. Earnings per share (“EPS”)

The basic and diluted EPS for the current financial quarter under review is computed as follows:

	Individual/Cumulative quarter 3 months ended	
	Unaudited 30.6.2025	Unaudited 30.6.2024
Net profit attributable to the owners of the Company (RM'000)	32,799	25,995
Weighted average number of ordinary shares in issue	1,876,074,962	1,872,497,070
Basic EPS (sen)	1.75	1.39

Diluted earnings per ordinary share

For the diluted EPS, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares.

The diluted EPS for the current financial quarter under review is computed as follows:

	Individual/Cumulative quarter 3 months ended	
	Unaudited 30.6.2025	Unaudited 30.6.2024
Net profit attributable to the owners of the Company (RM'000)	32,799	25,995
Weighted average number of ordinary shares in issue	1,876,074,962	1,872,497,070
Effect of share option in issue	6,178,279	1,987,626
Total weighted average number of ordinary shares	1,882,253,241	1,874,484,696
Diluted EPS (sen)	1.74	1.39

The average market value of the Company's shares for the purpose of calculating the dilutive effect of share options was based on the quoted market prices for the period during which the options are outstanding.

Part B: Explanatory notes pursuant to Part A, Appendix 9B of the Listing Requirements (continued)

B12. Revenue

	Individual/Cumulative quarter 3 months ended	
	Unaudited 30.6.2025 RM'000	Unaudited 30.6.2024 RM'000
Revenue from contracts with customers		
- At a point in time	260,415	241,554
- Over time	162	145
	<u>260,577</u>	<u>241,699</u>

B13. Profit before tax

	Individual/Cumulative quarter 3 months ended	
	Unaudited 30.6.2025 RM'000	Unaudited 30.6.2024 RM'000
Profit for the period is arrived at after charging/(crediting)		
Depreciation and amortisation:		
- property, plant and equipment	13,084	11,120
- right-of-use assets	2,820	2,344
- intangible assets	149	67
Equity settled share-based payment	363	243
Impairment loss of trade receivables	624	386
Write off of:		
- property, plant and equipment	68	46
- obsolete and slow-moving inventories	152	112
(Gain)/Loss on disposal of property, plant and equipment	(86)	56
Amortisation of deferred income	(110)	(68)
(Gain)/Loss arising from changes in fair value of dairy cows and goats	(878)	550
Fair value loss/(gain) on:		
- Derivative financial instruments	57	(1,142)
- Other investments	(377)	(565)
Distribution income from money market investments	(94)	(425)
Net loss on foreign exchange	299	67
Personnel expenses (including key management personnel):		
- Contribution to state plans	2,120	1,820
- Wages, salaries and others	29,477	24,834
Rental income from subleasing of property	(75)	(326)
Expenses relating to short-term leases	1,289	1,402
Expenses relating to leases of low-value assets	226	151